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" EDUCATIONAL TRAINING FOR FOREIGN TRADE "

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DURING the last ten years leaders in American commercial expansion have come to me with the statement that they are prepared to undertake a systematic trade campaign in Central and South America, but that they are always confronted with the difficulty of securing men adequately prepared to take up the work. If I may be permitted to lay before you some personal observations, I would add thereto another and even more serious difficulty. Large numbers of our young men are now following the courses of study in the special schools of commerce that have been established in the leading universities, and that have been growing at such pace that they are unable to accommodate the extraordinary influx of students. Boston University has taken a further step in advance by establishing a branch school in Havana, the courses of which are interchangeable with the parent school at Boston. Under the directorship of Dr. Clarence J. Owens, of the Southern Commercial Congress, a Pan-American School of Commerce is now being planned to be established at Panama some time during the coming year.

The study of foreign languages, and especially Spanish, is growing apace in all our institutions. Within a very few years, therefore, we may look forward to securing a steady stream of trained men whose technical training will equip them to undertake the representation of American trade in foreign lands. At this point a difficulty presents itself which, in the past, has been of the most serious character and which mere technical preparation is not likely to overcome. It is idle to gloss over the situation with fair words. We must definitely face the fact that, for a number of reasons, the United States furnishes a smaller percentage of satisfactory foreign representatives than any other of the trading nations. This is due in part to a certain provincialism of the American mind, and in part to a lack of

mental adaptability and elasticity which results in making the American representative abroad, especially in the countries of Central and South America, the embodiment of unrest, of discontent, and of homesickness, with the resultant lack of interest in the institutions and civilization of the nations in whose midst they find themselves. There is in this respect a marked contrast between American trade representatives and those of the Swiss, Dutch, French, or even British nationality. In what might be called traveling salesmanship the American invariably excels. Initiative, energy, and resourcefulness characterize his campaign, but as a permanent trade representative, whose problem involves establishing close contact with the people, he proves himself the inferior of his foreign rivals.

There is no country of Central or South America which does not afford abounding interest to the intelligently alert. Their history has, in many respects been far more dramatic than our own, and they all possess a literature rich, varied and full of interest to any one who will make a slight effort to acquire an acquaintance therewith. Unfortunately, a considerable proportion of the younger men going to Central and South America as permanent representatives fail to acquire anything more than a smattering of the Spanish or Portuguese language, as the case may be, and their interest stops at this point. They make but little effort to establish social contact with the people and thus are deprived of the recreations that accompany such social intercourse.

There is another aspect of the situation which should have our attention. I am convinced that the ultimate form of American enterprise in Central and South America will be a form in which American capital will be joined with local capital in the establishment of new enterprises. That form has great commercial advantages. It has at the same time marked international advantages from the larger standpoint of our international relations. There has been up to the present time little or no attempt on the part of American capitalists to encourage local capitalists in Latin America to join with them in the founding of new enterprises. This is due in part to the fact that there has been comparatively little local capital available for any enterprise. The time is now coming, in fact is now at hand, when local capital is available and when one of the most

secure means of investing American capital in Latin-American countries is to combine local capital, thereby securing in that country a group of men whose self-interest leads them to protect and foster the enterprise. The great advantage of this form of joint enterprise is that in case of difficulty it is not necessary to recur immediately to diplomatic channels, which is always a source of irritation to Latin-American governments.

The foreign representative who adapts himself to the local environment, who becomes acquainted with the people and gains their confidence, soon places himself in a position which enables him to interest local capitalists in his enterprise, or in the formation of new enterprises involving the cooperation of American with local capital. I have in mind at the present time an organization which has just been formed in Argentina; a bank that has been founded by a combination of American and Argentine capital. That bank is to be the sponsor of a series of further enterprises in which American and Argentine capitalists will cooperate in developing the resources of that country.

The lessons of experience indicate in no uncertain terms that with technical preparation, such as is afforded in our schools of commerce, we must combine a broader training which will arouse in the young men who go to Latin America as trade representatives a real interest in the people with whom, for the time being, they have cast their lot. Combined therewith there must exist an adaptability and breadth of sympathy which will lead them for the time being to identify themselves with the peoples to whom they have been accredited. Nothing short of this will bring permanent success.